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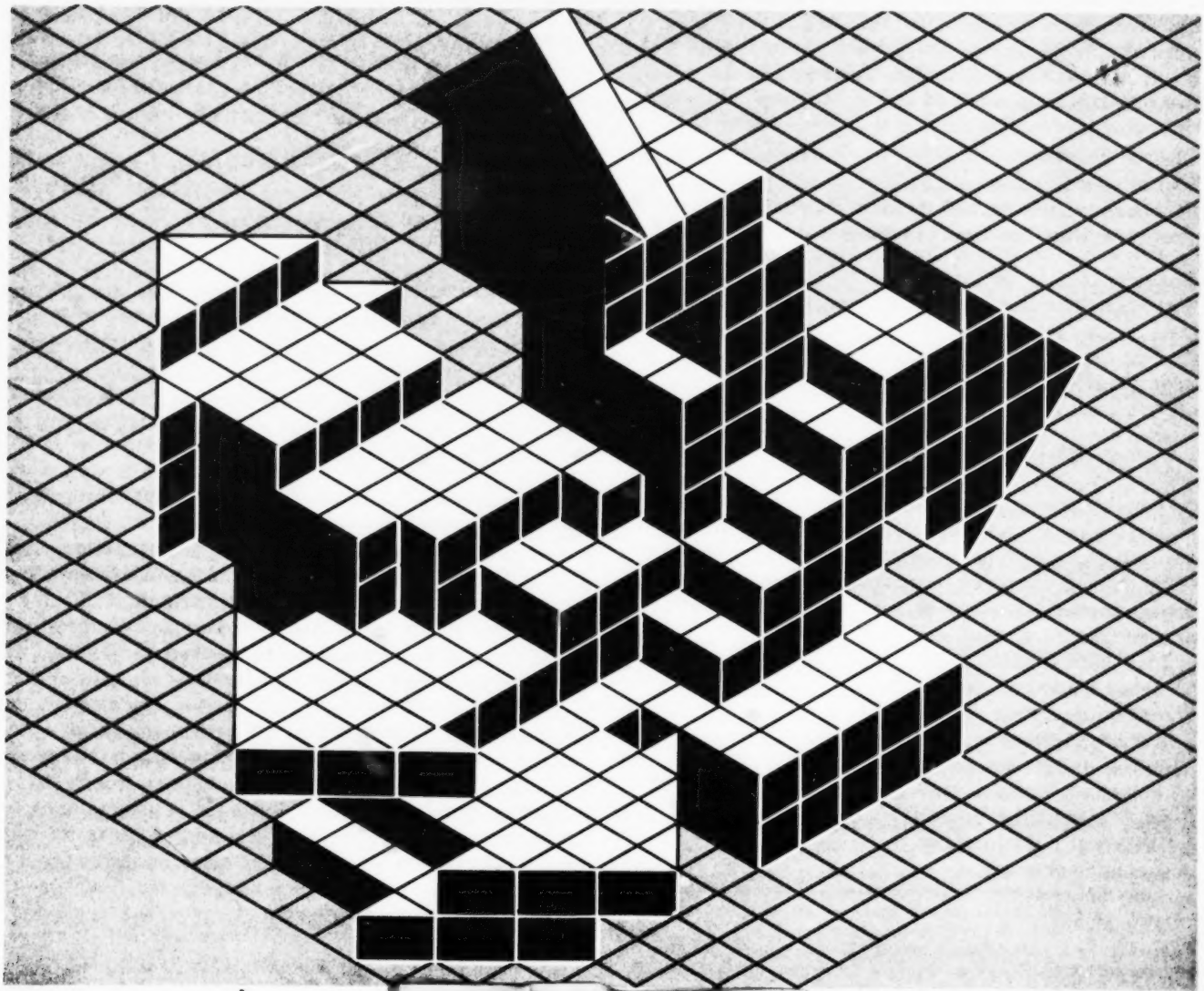
Effective Business Communication

By Dr. Steven Golen
Chairman, Dept. of Business Communications
and Office Systems,
College of Business Administration
Louisiana State University
Baton Rouge, Louisiana



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The purpose of this publication is to explain to small business owners and managers what business communications is and where to go to find out more about it.

Today, regardless of the size and type of small business, there seems to be one common problem area. This problem area is *effective* communications. No one questions that the ultimate goal of communications is the complete understanding of a message. Yet how often is this elusive goal really achieved? Because of this, small business owners and managers need to be aware of the various principles, problems, and applications of effective communications as they apply to their individual businesses.

Communication Process

Principles. Basically, any communication process shares similar characteristics. Some experience, fact, object, or idea is observed by the speaker or writer and these observations are encoded or translated into a message. The message is then transmitted through a medium such as a spoken or written word. The message is received and interpreted by the listener or reader, who then acts. Finally, feedback from the listener or reader is given to the speaker or writer. This signifies the message has been received and understood. Of course, this same feedback process is then repeated by the speaker or writer.

Problems. An assumption made in a communication process is that there has been a free flow of information from the speaker or writer to the listener or reader. However, this assumption is not always realistic, and problems occur that inhibit the free flow of information. These problems are often referred to as barriers, breakdowns, or obstacles to effective communication. An important point to remember is that these problems can develop within the speaker or writer, within the listener or reader, or in situations external to both.

As small business owners and managers you need to understand why communication problems occur, for if you can identify these problems, then perhaps you can solve them. Some of the more common problems that often inhibit effective communications in small business are:

- know-it-all attitude
- resistance to change
- lack of credibility
- fear of distortion or omission of information
- lack of understanding of technical language
- inadequate common business knowledge
- poor organization of ideas
- differences in perception
- prejudice or bias
- poor timing of the message
- defensiveness
- emotional reactions
- inability to understand nonverbal cues
- personality conflicts
- hostile attitude
- poor spatial arrangements
- jumping to conclusions
- lack of feedback
- tendency not to listen
- physical noise and distractions
- differences in status or position
- lack of trust

The references listed in the Principles and Problems section of this Aid will provide a basis for becoming more aware of these and other problems, as well as suggesting ways to overcome them.

Written Communication

Writing Principles. Another important communication skill you should develop is the ability to write effectively. If the written word is unclear, then much time and money may be wasted. Basic principles of effective writing can be learned, and all it takes is a little discipline and practice. As small business owners and managers you should be aware of the following writing principles:

- determine the purpose
- analyze the audience
- organize the message
- use short, simple words
- use short sentences and paragraphs
- avoid overused expressions (cliches)
- proofread

These writing principles, as well as others presented in the references, will give you a foundation for developing your writing skills. One important point should be remembered about writing—it takes practice! You can read, talk, or even listen about writing, but the only way to improve is to practice.

Letters and Memorandums. Once the fundamentals have been learned, they can be applied during specific situations such as writing letters and memorandums. Very often small business owners and managers need to write different types of letters or memorandums for different types of situations. Also, you must know whether a letter or a memorandum should be used and how it should be organized.

Generally, you would use the letter when writing to individuals outside the business, and when the information you are providing or requesting is not needed immediately. The memorandum, however, is used within the business and provides a written record for transmitting information internally. The memorandum requires the same care in writing as the letter, but the situation may not be as formal.

When writing the message, the situation determines how it should be organized. For example, the way you would write a sales letter may be different from the way a credit refusal would be written. The references listed in this section of the publication will supply owners and managers with not only the plans to follow but also with samples of letters and memorandums.

Report Writing. Report writing is another area of concern for many small business owners and managers. Whether it is a proposal or an informational, analytical, or progress report, the same basic writing principles should be applied. But before the actual writing begins, sufficient research and organization must be completed.

The references on report writing will furnish you with the proper tools for research, as well as specific techniques for writing various types of reports.

Oral Communications

Oral Presentations. Making an effective oral presentation is an area many small business owners and managers need to improve. Whether the presentation involves a sales or training situation, good speech techniques can create an atmosphere of confidence, interest, and overall effectiveness.

Interviewing Techniques. Speaking effectively, possessing good interpersonal skills, and having a basic understanding of fundamental interviewing techniques will provide you with an effective managerial tool. Various business situations such as hiring, giving performance appraisals, and conducting survey research require effective interviewing techniques.

Conducting Meetings or Conferences. Some small business owners and managers conduct occasional or regular meetings or conferences. If used effectively, these situations can aid in problem solving, policy development, and staff communications. So as an owner or manager you should learn good meeting and conference techniques like planning, scheduling, leading, and questioning. Proper use of these techniques will enable you to conduct successful and productive meetings and conferences.

Listening Techniques. A communication skill you probably need to use more often is proper listening. While many of us hear, few actually listen. Effective listening requires concentrating on the message as well as showing a genuine interest in the speaker. Whether you are trying to make a sale or attempting to settle an employee grievance, effective listening is basic in achieving a successful outcome.

The references listed in the oral communications section of this Aid will provide you with some guidelines, procedures, and techniques to apply to the various oral communications situations arising in your day-to-day activities.

Nonverbal Communication

Small business owners and managers should possess the ability to read the many nonverbal cues employees, customers, and suppliers may communicate. If you observe gestures, facial expressions, tone variation the probability of effective communicitions is increased.

Bibliography

Information presented here is necessarily selective and no slight is intended toward material not mentioned. Publishers are invited to notify the SBA of relevant publications and other sources of information for possible inclusion in future editions. Prices of publications and their availability are subject to change. Bibliographies may be reprinted but not used to indicate approval or disapproval by the SBA of any private organization, product or service.

Communication Process

Principles and Problems

Caruth, Don, Bill Middlebrook, and Debra Davis. **How to Communicate to be Understood.** *Supervisory Management*, Vol. 27 (February 1982), pp. 30-37.

The authors discuss several communication problems which include such items as language, attitudes, and distractions. Some guidelines to improve communications are described as well.

Pancrazio, Sally B. and James J. Pancrazio. **Better Communication for Managers.** *Supervisory Management*, Vol. 26 (June 1981), pp. 31-37.

The authors present ten communication barriers such as stereotyping different meanings of words, and failing to provide feedback.

Written Communication

Writing Principles

Barry, Robert E. **Business English for the 80's.** Prentice-Hall, Inc., Englewood Cliffs, NJ 07632. $13.95.

A book designed to give a thorough coverage of the basics of English grammar. Rules and explanations as well as illustrations and exercises are included.

Keithley, Edwin M. and Margaret H. Thompson. **English for Modern Business.** 4th ed., Richard D. Irwin, Inc., 1818 Ridge Road, Homewood, IL 60430. 1981. $14.95.

This book presents a comprehensive review of English grammar with various business examples.

Silverman, Buddy R. S. **The Optimum Legibility Formula: A Written Communications Systems.** *Personnel Journal*, Vol. 59 (July 1980), pp. 581-583.

The author discusses seven steps of effective writing that are included in the optimum legibility formula.

Soldofsky, Robert M. and Shirley Kuiper. **Fowl Language: 13 Frequently Observed Writing Lapses.** *Management World*, Vol. 9 (April 1980), pp. 13-15.

While conducting business writing seminars, the authors observed 13 common writing faults. Illustrations accompany the discussion of each writing fault.

Letters and Memorandums

Rose, Max. **Is It 'Just Business Correspondence' or Is It a Contract?,** *Supervision*, Vol. 43 (May 1981), pp. 9-10.

Care must be taken when writing correspondence because the correspondence can be a contract.

Jris, Auren. **Memos for Managers.** Thomas Y. Crowell Company, 10 E. 53rd Street, New York, NY 10022. 1975. $10.00.

The author discusses several principles and procedures for writing effective memos.

Report Writing

Brown, Harry M. **Business Report Writing.** D. Van Nostrand Company, 135 West 50th Street, New York, NY 10020. 1980. $10.95.

Various principles and tools of report writing along with a step-by-step approach for writing a business report are presented.

Lefferts, Robert. **How to Prepare Charts and Graphs for Effective Reports.** Harper and Row Publishers, 10 East 53rd Street, New York, NY 10022. 1981. $4.95.

This book presents techniques for presenting and preparing various charts and graphs such as bar, pie, line, organization, flow and time charts.

Lesikar, Raymond V. **Report Writing for Business.** 6th ed., Richard D. Irwin, Inc., 1818 Ridge Road, Homewood, IL 60430. 1981. $19.95.

This book provides an overview of the report writing process such as problem determination, information collection, organization, format, and writing techniques.

Moyer, Ruth, Eleanour Stevens, and Ralph Switzer. **The Research and Report Handbook.** John Wiley and Sons, Inc., 605 Third Avenue, New York, NY 10158. 1981. $9.95

Various types of report situations, as well as documentation references, and style suggestions are presented in this book.

Ruffino, Norma Carr. **Writing Short Business Reports.** McGraw-Hill Book Company, Inc., Gregg Division, 1221 Avenue of the Americas, New York, NY 10020. 1980. $9.55.

This book covers three basic parts. The first part presents the communication process. The second part discusses the various principles and types of reports. The last part deals with writing styles.

Treece, Malra. **Effective Reports.** Allyn and Bacon, Inc., 470 Atlantic Avenue, Boston, MA 02210. 1982. $19.95.

This book describes various aspects of report writing such as format, language, research, graphic aids, and documentation.

Oral Communications

Oral Presentations

Cogan, Elaine, and Ben Padrow. **You Can Talk to (Almost) Anyone About (Almost) Anything: A Speaking Guide for Business and Professional People.** Continuing Education Publication, Portland State University, Portland, Oregon, 97207. 1984. $8.95.

An easy to read and follow set of principles designed to capture the essence of what makes a good speaker and effective speech.

Raudsepp, Eugene. **When It's Your Turn to Speak at the Podium,** *Administrative Management*, Vol. 43 (June 1982), pp. 24-25, 51-52.

This article describes various techniques for effective oral presentations such as preparation, practice, audience analysis, and visual aid use.

Conducting Meetings and Conferences

Brown, Laverne K. **How to Conduct a Productive Meeting,** *Supervision*, Vol. 44 (March 1982), pp. 5-6.

Several guidelines for conducting productive, interesting, and stimulating meetings are described.

Carnes, William T. **Effective Meetings for Busy People: Let's Decide it and go Home.** McGraw-Hill Book Company, 1221 Avenue of the Americas, New York, NY 10020. 1980. $16.50.

This book not only presents the basic principles for effective meetings, but it also discusses specialized methods such as maintaining order in a large meeting and getting a charter adopted in one meeting.

Listening

Humphreys, Luther W. and Elizabeth B. Bolton. **Listening—The Neglected Half of Communication,** *Management World*, Vol. 9 (December 1980), pp. 34-35.

This article describes the difference between listening and hearing as well as suggests some techniques for effective listening.

Steil, Lyman K., L. L. Barker, and K. W. Watson. **Effective Listening: Key to Your Success.** Addison-Wesley, Reading, MA. 1983.

This book is designed for professionals in business and industry with limited technical vocabulary. Presents an anecdotal approach with suggestions for developing listening skills.

Gerardi, Michael T. **Nonverbal Communication: An Effective Tool in Management,** *Industrial Management*, Vol. 22 (November-December 1980), pp. 11-14.

Various types of nonverbal cues that a manager should be aware of are presented.

General Reference Books

The reference books that follow contain information on basic business communications.

Lee, LaJuana W., Sallye S. Benoit, Wilma C. Moore, and Celeste Stanfield Powers. **Business Communication.** Houghton Mifflin Company, One Beacon Street, Boston, MA 02107. 1980. $19.50.

Lesikar, Raymond V. **Business Communication: Theory and Application.** 4th ed., Richard D. Irwin, Inc., 1818 Ridge Road, Homewood, IL 60430. 1980. $20.50.

Level, Dale A. and William P. Galle, Jr. **Business Communications: Theory and Practice.** Business Publications, Inc., 13773 North Central Expressway, Dallas, TX 75231. 1980. $21.95.

Murphy, Herta A. and Charles E. Peck. **Effective Business Communications.** 3d ed., McGraw-Hill Book Company, 1221 Avenue of the Americas, New York, NY 10020. 1980. $19.50.

Sigband, Norman B. **Communication for Management and Business.** 3d ed., Scott, Foresman and Company, 1900 E. Lake Avenue, Glenview, IL 60025. 1982. $18.95.

Wilkinson, C. W., Peter B. Clarke, and Dorothy C. M. Wilkinson. **Communicating Through Letters and Reports.** 7th ed., Richard D. Irwin, Inc., 1818 Ridge Road, Homewood, IL 60430. 1980. $19.95.

Periodicals on Communication

The following list contains the names, addresses, and subscription prices of the magazines and journals cited in this bibliography.

Administrative Management
Geyer-McAllister Publications
51 Madison Avenue
New York, NY 10010
$18.00 per year.

American Salesman
National Research Bureau, Inc.
424 N. Third Street
Burlington, IA 52601
$19.00 per year.

Association Management
American Society of Association Executives
1101 16th Street, N.W.
Washington, DC 20036
$15.00 per year.

Data Management
Data Processing Management Assoc.
505 Busse Highway
Park Ridge, IL 60068
$16.00 per year.

Industrial Management
Industrial Management Society
570 Northwest Highway
Des Plaines, IL 60016
$15.00 per year.

Industry Week
Penton-IPC
Penton Plaza
Cleveland, OH 44114
$45.00 per year.

Infosystems
Hitchcock Publishing Co.
Hitchcock Building
Wheaton, IL 60187
$50.00 per year.

International Management
McGraw-Hill Inc.
1221 Ave. of the Americas
New York, NY 10020
$46.00 per year.

Journal of Small Business Management
West Virginia University
Bureau of Business Research
Morgantown, WV 26506
$10.00 per year.

Manage
National Management Association
2210 Arbor Boulevard
Dayton, OH 45439
$5.00 per year.

Management Review
American Management Associations
135 W. 50th Street
New York, NY 10020
$19.50 per year.

Management World
Administrative Management Society
Maryland Road
Willow Grove, PA 19090
$18.00 per year.

Nation's Business
Chamber of Commerce of the U.S.
1615 H Street, N.W.
Washington, DC 20062
$22.50 per year.

Personnel Journal
Personnel Journal, Inc.
Box 2440
Costa Mesa, CA 92627
$28.00 per year.

Public Relations Journal
Public Relations Society of America, Inc.
845 Third Avenue
New York, NY 10022
$24.00 per year.

Rough Notes
Rough Notes Co., Inc.
1200 N. Meridian Street
Indianapolis, IN 46206
$8.00 per year.

SM/Successful Meetings
Bill Communications, Inc.
1422 Chestnut Street
Philadelphia, PA 19102
$37.50 per year.

Supervision
National Research Bureau, Inc.
424 N. 3rd Street
Burlington, IA 52601
$20.00 per year.

Supervisory Management
American Management Associations
135 W. 50th Street
New York, NY 10020
$16.00 per year.

The Journal of Business Communication
American Business Communication Association
English Bldg.
608 South Wright Street
University of Illinois
Urbana, IL 61801
$30.00 per year (membership).

The Personnel Administrator
American Society for Personnel Administrators
30 Park Drive
Berea, OH 44017
$26.00 per year.

The Secretary
Professional Secretaries International
2440 Pershing Road
Kansas City, MO 64108
$12.00 per year.

Associations

Associations are often excellent sources of information on specific areas of interest, such as business communications. Write to them directly to inquire about the details of their publications, annual meetings, and other services.

Association for Business Communication
English Bldg.
608 South Wright St.
University of Illinois
Urbana, IL 61801

Publishes the ABCA Bulletin and the Journal of Business Communications. Also has an annual meeting.

Industrial Communication Council
Box 3970, Grand Union Station
New York, NY 10017

Publishes the ICC Newsletter and puts on an annual meeting.

International Association of Business Communicators
Suite 928
870 Market Street
San Francisco, CA 94102

Publishes the Journal of Organizational Communication and NEWS. Also has an annual meeting.